

**Testimony Regarding Early Care and Education Funding in H.B. 6380:  
An Act Concerning the Budget for the Biennium Ending June 30, 2013**

Annemarie Hillman and Cyd Oppenheimer, J.D.

Appropriations Committee

March 4, 2011

Senator Harp, Representative Walker, and distinguished Members of the Appropriations Committee:

We are testifying today on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

**Overall, we find Governor Malloy's proposed FY 12-13 budget to be extremely favorable for the early care and education community: maintaining or increasing funding for the majority of early care and education programs, making much-needed improvements in the areas of efficiency and transparency, and showing some acknowledgment of the need for an early childhood system.** Access to language-rich, nurturing, and responsive caregiving has been proven to improve outcomes for vulnerable children.<sup>1</sup> Supporting early care and education in the present not only benefits our working families, helping parents go to work, but also supports our economy in the future, preparing the next generation for success in school and beyond. It appears that the Governor has recognized the research-proven positive effects of early care and education programs on children and families, and has recommended funding and systemic changes accordingly.

We also appreciate the Governor's proposed investments in public-private partnerships, which indicate a willingness to work with all parts of the early care and education community to maximize resources.

**The Governor's proposed budget does present some areas of concern for us.** It recommends only \$97.6 million for the Care4Kids program in FY 12.<sup>2</sup> This is a \$5.8 million (5.6%) decrease in appropriations from FY 11,<sup>3</sup> for which the legislature had allocated \$103.4 million.<sup>4</sup> However, it should be noted that not all of the funding appropriated by the legislature for Care4Kids was actually spent on this program. Eligibility restrictions implemented in November 2010 have resulted in the projected expenditure of only \$98.4 million of these funds, leaving \$5.0 million in appropriated funds unspent.<sup>5</sup> These restrictions rendered new applicants earning between 50 and 75% of the state median income ineligible for the Care4Kids program,<sup>6</sup> yet the implementation of these restrictions and the decreased spending for the program were not a result of a lack of need for the program. In fact, there was so much need for the Care4Kids program that the Office of Fiscal Analysis noted in October 2010, before restrictions were implemented, that it appeared that Care4Kids spending was on track to exceed the appropriated amount.<sup>7</sup> However, spending was not only decreased so that it would not exceed FY 11 appropriations; it was brought down so much that \$5 million in appropriated funds will not be expended.

On average, the cost of child care in Connecticut is \$10,165, or approximately 12.2% of the state's median family income.<sup>8</sup> Given this high cost of care, it is essential that Care4Kids be available as a source of financial assistance for the everyday workers that drive Connecticut's economy. The need is clear – during FY 2010, Care4Kids served an average of 6,223 infants and toddlers, 7,233 preschoolers, and 6,046 school-age children per month.<sup>9</sup> As an essential component of child care in Connecticut, providing the greatest amount of child care subsidies for low- to moderate- income families, Care4Kids funding should be maintained or increased whenever possible. On a positive note, the Governor does propose that Care4Kids appropriations be increased to \$104.3 million in FY 13.

Furthermore, the Governor's proposal would eliminate funding for the Nurturing Families Network at non-hospital sites, which is a \$3.2 million (25.2%) cut to the projected FY 11 expenditures for the Children's Trust Fund.<sup>10</sup> This reduction in funding would not only decrease the availability of home visitation programs in the state, but would put federal funding at risk. Connecticut is currently applying for federal home visitation funds, which could potentially bring millions of dollars into the state for home visitation programs. Connecticut's proposal includes an excellent mix of these programs and is considered to be quite competitive for these federal funds. However, the federal framework requires state maintenance of effort in funding for these programs. Thus, by reducing the Nurturing Families Network, which would decrease funding for home visitation, Connecticut would put potential federal funding in jeopardy.<sup>11</sup>

**A separate, non-funding-related, positive aspect of the Governor's budget is its movement toward greater efficiency and transparency.** For example, the Governor has proposed that *all* funding for state-funded child care centers, previously located in four different line items within the Department of Social Services (DSS),<sup>12</sup> be consolidated into a single line item ("Child Care Services") within the State Department of Education (SDE).<sup>13</sup> He has also suggested moving \$1.2 million for quality enhancement grants in Priority School Districts into SDE.<sup>14</sup> These funds historically have been appropriated to the Department of Social Services but then transferred to SDE. The movement of these funds eliminates this unnecessary transfer and is a step towards greater efficiency. Another step towards efficiency and transparency is the consolidation of all funds for DSS's contract with United Way 211 (currently located in three different line items<sup>15</sup>) into a single line item ("Child Care Quality Enhancements").<sup>16</sup> We strongly support these steps toward better efficiency and transparency.

**A final positive aspect of the Governor's proposal is its apparent recognition of the need for a more integrated system of early care and education.** Currently, Connecticut has only a patchwork of programs and funding streams stretching across multiple state agencies.

The main step proposed by the Governor is, as mentioned above, the movement of state-funded child care centers, currently located in the Department of Social Services (DSS), into the State Department of Education (SDE), and the equalization of rates between state-funded child care centers and School Readiness programs. The Governor's budget includes \$2.0 million in additional funding to equalize rates between the two programs and recommends that any remaining funds be allocated to increase the infant/toddler slot rates in order to maintain the level of those slots. Although the full implications of this proposal for state-funded child care centers (and the children

they serve) remain unclear and should be closely monitored, its apparent intent – to create a more functional and unified system of early care and education – is laudable.

**However, the Governor's well-intentioned proposals supporting integration neglect to recommend several critical changes.** Most crucially, we believe that the problems of coordination and integration in the existing early care and education "system" cannot be solved merely by moving programs into an existing department. **Instead, we strongly recommend that a Department of Early Education and Child Development be created to manage and coordinate all of Connecticut's early care and education programs, which is a model that has worked very well in Massachusetts.**

Furthermore, as it stands, the Governor's proposal leaves Care4Kids out of his initial attempts at consolidation. Care4Kids would remain within DSS, detached from the larger early care and education system, despite providing the greatest amount of subsidies for early care and education of all the state's publicly-funded early care and education programs. Ideally, Care4Kids would be moved into a Department of Early Education and Child Development along with all other existing early care and education programs.

In summary, the Governor's proposed budget does an admirable job of preserving programs, with beginning – but very incomplete – movement towards an integrated early care and education system. **We suggest that the Appropriations Committee consider increasing the proposed funding levels for the Care4Kids program and the Nurturing Families Network at non-hospital sites, and strongly recommend that the Appropriations Committee consider funding the creation of a Department of Early Education and Child Development, as proposed in S.B. 1106.**

Thank you for the opportunity to testify today.

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<sup>1</sup> See Center on the Developing Child at Harvard University, "A Science-Based Framework for Early Childhood Policy: Using Evidence to Improve Outcomes in Learning, Behavior, and Health for Vulnerable Children" (August 2007) on pg. 7 and 9.

<sup>2</sup> See Dannel Malloy, "Connecticut FY 2012-FY2013 Biennium Governor's Budget Recommendations" (February 16, 2011) on pg. 383 (available at [http://www.ct.gov/opm/lib/opm/budget/2012\\_2013\\_biennial\\_budget/human\\_services.pdf](http://www.ct.gov/opm/lib/opm/budget/2012_2013_biennial_budget/human_services.pdf)).

<sup>3</sup> Although the Governor's budget cuts only \$817,000 from the *estimated FY 11 expenditure level* for Care4Kids, his proposal would in fact be a \$5.8 million decrease in *appropriations from FY 11*.

<sup>4</sup> See "Connecticut State Budget 2010-2011 Revisions," *Connecticut Office of Fiscal Analysis* on pg. 260 (available at [http://www.cga.ct.gov/ofa/Documents/Year/BB/2011BB-20100909\\_FY%202011%20Connecticut%20Budget%20Revisions.pdf](http://www.cga.ct.gov/ofa/Documents/Year/BB/2011BB-20100909_FY%202011%20Connecticut%20Budget%20Revisions.pdf)). The state legislature appropriated \$103.4 million dollars to the Care4Kids program for FY 11. The appropriated amount for Care4Kids is listed as "Child Care Services-TANF/CCDBG" under "Legislative Revised Appropriation FY 11."

<sup>5</sup> See Dannel Malloy, "Connecticut FY 2012-FY2013 Biennium Governor's Budget Recommendations" (February 16, 2011) on pg. 383 (available at [http://www.ct.gov/opm/lib/opm/budget/2012\\_2013\\_biennial\\_budget/human\\_services.pdf](http://www.ct.gov/opm/lib/opm/budget/2012_2013_biennial_budget/human_services.pdf)).

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<sup>6</sup> See "Care4Kids Program," *Connecticut Department of Social Services Information Brief* (October 6, 2010) (available at <http://www.ctcare4kids.com/pdf/changenotificationoct2010.pdf>). New applicants to the Care4Kids program earning up to 50% of the state median income remained eligible.

<sup>7</sup> See "Analysis of Finance Advisory Committee Meeting Items," *Office of Fiscal Analysis* (October 7, 2010) on pg. 7 (available at [http://www.ct.gov/opm/lib/opm/budget/fac/fy2011/2010\\_oct10\\_ofa\\_fac\\_analysis.pdf](http://www.ct.gov/opm/lib/opm/budget/fac/fy2011/2010_oct10_ofa_fac_analysis.pdf)).

<sup>8</sup> See Annemarie Hillman and Cyd Oppenheimer, J.D., "Connecticut Early Care and Education Progress Report, 2010" (February 2011) on pg. 6.

<sup>9</sup> *Ibid.* on pg. 32-33.

<sup>10</sup> See Dannel Malloy, "Connecticut FY 2012-FY2013 Biennium Governor's Budget Recommendations" (February 16, 2011) on pg. 357 and 382 (available at [http://www.ct.gov/opm/lib/opm/budget/2012\\_2013\\_biennial\\_budget/human\\_services.pdf](http://www.ct.gov/opm/lib/opm/budget/2012_2013_biennial_budget/human_services.pdf)).

<sup>11</sup> Conversation with Elaine Zimmerman, Executive Director, Connecticut Commission on Children and Member, Advisory Committee on Home Visitation, National Council of State Legislatures, on March 2, 2011.

<sup>12</sup> Specifically, funding for state-funded child care centers historically has been located in the following line items within DSS: (1) Child Day Care: Payments to Local Governments; (2) Child Day Care: Payments to Other than Local Governments; (3) as one component of School Readiness; and (4) as one component of Day Care Projects.

<sup>13</sup> See Dannel Malloy, "Connecticut FY 2012-FY2013 Biennium Governor's Budget Recommendations" (February 16, 2011) on pg. 361 (available at [http://www.ct.gov/opm/lib/opm/budget/2012\\_2013\\_biennial\\_budget/human\\_services.pdf](http://www.ct.gov/opm/lib/opm/budget/2012_2013_biennial_budget/human_services.pdf)). See also e-mail from Sarah Bourne, Office of Fiscal Analysis, on February 17, 2011.

<sup>14</sup> These funds have historically been one component of the line item "School Readiness" within the Connecticut Department of Social Services budget. The Governor's proposal moves these funds into the Connecticut State Department of Education under the line item "School Readiness Quality Enhancement." See Dannel Malloy, "Connecticut FY 2012-FY2013 Biennium Governor's Budget Recommendations" (February 16, 2011) on pg. 395 (available at [http://www.ct.gov/opm/lib/opm/budget/2012\\_2013\\_biennial\\_budget/education.pdf](http://www.ct.gov/opm/lib/opm/budget/2012_2013_biennial_budget/education.pdf)).

<sup>15</sup> Specifically, funding for DSS's contract with United Way 211 historically has been located as components of the following line items within DSS: (1) School Readiness; (2) Day Care Projects; and (3) Other Expenses – Contractual Services. See e-mail from Sarah Bourne, Office of Fiscal Analysis, on February 17, 2011.

<sup>16</sup> See Dannel Malloy, "Connecticut FY 2012-FY2013 Biennium Governor's Budget Recommendations" (February 16, 2011) on pg. 361 (available at [http://www.ct.gov/opm/lib/opm/budget/2012\\_2013\\_biennial\\_budget/human\\_services.pdf](http://www.ct.gov/opm/lib/opm/budget/2012_2013_biennial_budget/human_services.pdf)).